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EXECUTIVE OFFICE
FOR
ADMINISTRATION AND FINANCE

OFFICE OF PURCHASED SERVICES

AN INSTITUTE
For
COMMUNITY-BASED SERVICES

JULY 1, 1988

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AN INSTITUTE FOR COMMUNITY-BASED SERVICES

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Executive Office for Administration and Finance

Office of Purchased Services

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Boston, Massachusetts 02133

Publication # 15709-75-200-10-88-C.R.
Approved by: Ric Murphy, State Purchasing Agent

Forth Printing 12-88

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INSTITUTE FOR COMMUNITY-BASED SERVICES

INTRODUCTION

A new movement toward excellence in the delivery of human services is underway in Massachusetts. The reasons for the movement are compelling: the need for greater stability and effectiveness among the community-based programs, the need for enhanced accountability within the state purchasing system, and most important, the need to recognize and reinforce client benefits as the ultimate goal of the system.

The Institute for Community-Based Services is the key to excellence in human services. The Institute will serve a vital role in the improvement of community-based services. Moreover, the Institute will give the provider community a significant voice and a partnership, as the Commonwealth moves forward with a comprehensive array of contracting reforms.

The mission of the proposed Institute is to create a self-renewing, independent, professional, standards-oriented system of providers dedicated to the delivery of high quality client services.

BACKGROUND AND NEED

Twenty years ago, the Commonwealth turned to private providers for help in meeting the burgeoning demand for community-based services. At that time, the purchase-of-service (POS) from private, community-based providers was a new, untested method of service delivery, representing only a modest share of total human service expenditure. Few anticipated the extent to which the Commonwealth would depend, ultimately, upon private providers.

In the intervening years, purchase-of-service has proved its worth. What was once an experiment, has now become the preeminent vehicle for delivering client services. It is clear, now, that the Commonwealth is committed to POS for the 'long haul'. Its interests and, more importantly, the interests of its clients are best served by a strong, stable, professional provider community.

Despite its extraordinary record of success, the community-based service system, composed of more than 1200 provider agencies, is the object of considerable concern. State policy makers are concerned about managerial effectiveness, operational efficiency, financial accountability and program direction. Providers are concerned about the managerial environment, fiscal stability and personnel turnover.

Consequently, there is a rising tide of interest in strengthening the provider system in Massachusetts. In 1986, the Senate Ways and Means Committee produced a report, "Purchase of Service: Protecting the Promise of Community Based Care", which found widespread "neglect of the administrative needs of this new system of contracted service provision" and recommended consolidating and strengthening the state's contracting system and supporting improved administration and problem-solving in the provider sector. Subsequently, the Legislature established the Office of Purchased Services (OPS) to "ensure the implementation of a consistent, efficient and accountable (POS) system...". At the same time, it committed seed monies to found an Institute for Community-Based Services which would attempt a parallel task on the provider side.

The newly created Office of Purchased Services, within the Executive Office for Administration and Finance, has made the establishment of the Institute for Community-Based Services a priority for the coming year. The Institute is central to OPS' agenda "to improve the delivery of services to clients through a smoothly functioning purchasing system and a stable, financially secure and professionally sound provider community". OPS is currently implementing a set of sweeping reforms designed to improve the state-provider contracting system. The reforms include: (a) pricing that is fair and timely; (b) performance contracting that focuses on the quality of results rather than paperwork and prescribed methods of service delivery; (c) provider capitalization that encourages and supports favorable balance sheets; (d) multi-year contracting that permits a sufficient period for attaining goals; and (e) uniform financial reporting that eliminates duplication while improving accountability. The reforms represent an integrated package, with each piece playing an important role. The Institute is one of the vital threads of this tapestry.

COMPONENTS

The Institute for Community-Based Services is dedicated to excellence in the management and delivery of community-based human services. Like the Centers of Excellence, established in Massachusetts by partnership between the public and private sectors to guide and ensure the state's economic future, the Institute expects to strengthen the partnership between the state and the providers in order to ensure excellence in the delivery of human services. The goals of the Institute correspond to its four major functions:

(1) To establish a system of provider accreditation and manager certification based upon the development of consistent and valid standards for program quality and professional competence.

(2) To provide high quality professional education and consultative support using a network of resources, including institutions of higher education, training and development organizations and private sector mentors.

(3) To document, recognize, reward and publicize examples of excellence in human services management and delivery in order to strengthen professional practice and public appreciation.

(4) To foster focused, long range planning, research and the dissemination of solutions and strategies related to issues confronting the provider delivery system.

The four functions of the Institute are (1) accreditation and certification, (2) training and technical assistance, (3) professional development, and (4) research and planning.

1. Accreditation and Certification

Accreditation and certification will be the foundation of the Institute's activities. Modeled after professional organizations such as the American Medical Association (AMA) and the American Institute of Certified Public Accounts (AICPA), the Institute will establish performance standards and assessment procedures leading to (a) the accreditation of human services organizations and (b) the certification of human services administrators. The traditional purpose of accreditation and certification is to protect the public interest through minimal standards of performance. The Institute expects to transcend this purpose by inspiring high levels of competence and excellence in professional practice.

Provider accreditation will begin with the establishment of standards of performance for provider organizations. These standards will be carefully developed through a collaborative process involving state officials, provider representatives and academicians to determine both the minimal and the differentiating characteristics of successful organizations. The characteristics will include inputs (e.g. resource requirements such as working capital and asset requirements, or staff-client ratios) and outputs (e.g. effectiveness and efficiency criteria such as the demonstrated use of internal planning and evaluation procedures). The next step will involve the development of measurement techniques for assessment. It is expected that assessment will follow a process similar to existing accreditation authorities (indeed, it has been suggested that the Institute may engage these bodies to act on its behalf where appropriate) in which the organization conducts a self-study to define its practice in relation to the stated performance standards, assesses its progress and problems, and prepares a plan for organizational improvements. A

visiting team reviews the self-study report and conducts an independent on-site evaluation. Final accreditation is determined by the Institute's Board, based upon the recommendations of the visiting team. Accreditation is awarded for a fixed term, such as three to five years, followed by periodic re-accreditation.

The **certification of provider administrators** will also begin with the establishment of performance standards. The standards, empirically derived from an examination of the practices of successful managers, will comprise the competencies required for the job including knowledge, skills, motivation and personal characteristics. The assessment will take into account a variety of information sources such as education, past performance, and tests and exercises. A peer panel will examine the data and interview the administrator. Recommendations will be forwarded to the Institute's Board for determination of certification. There will be multiple levels of certification ranging from the minimal or threshold level to a superior level of certification. The prestige associated with higher levels of certification will inspire excellence in managerial practice. While the certification process will be open to all administrators in human services organizations, it will be a requirement for each provider organization that the chief executive officer hold administrative certification. The certification process will complement, rather than replace or duplicate, existing licensing requirements such as social worker or nursing home administrator licenses.

The uses of the accreditation/certification process will be two-fold. First, the state's purchase-of-service system will be able to rely on institute accreditation to ensure minimum standards for provider organizations receiving contract awards. Second, providers will be able to rely on certification and accreditation as indicators of organizational health and as recognition for achievements.

2. Training and Technical Assistance

The purpose of training and technical assistance is to provide professional development and support similar to that available to private sector corporations and sometimes to public agencies but largely unavailable or inaccessible to provider organizations. The Institute will accomplish this through the establishment of training and technical support networks.

For **training and continuing education**, the Institute will rely upon the resources of affiliated academic institutions and training organizations. The Institute expects to develop curriculum materials and guides related to the standards of performance for accreditation and certification. The Institute will also seek to bridge the gap between traditional course work and actual job

requirements through standards for curriculum design.

For **technical assistance**, the Institute will develop a network of consultant resources and provide basic support materials. In addition, the Institute will arrange for assistance through the creation of a voluntary Executive Corps composed of individuals with technical expertise in specialized areas of the management and delivery of human services. Members of the Executive Corps, drawn from the public, private, and provider sectors, will be carefully selected and provided with extensive orientation, training, monitoring and support. The Institute will promote the development and usage of volunteers in a variety of roles to support provider management and service delivery.

3. Professional Development

Professional Development is designed to build an improved public image of the provider sector, make careers in human service more attractive and encourage movements toward excellence in the human services industry. The results expected include increased appreciation and good will among the constituents of human services (legislators, state officials, clients, advocates and the general public) and increased status and professionalism for the provider community.

Public awareness will increase through the development and distribution of exemplary practices in human services, using media presentations, news releases, publications and sponsored events. **Professional recognition** will be achieved through a variety of channels such as the federal government's "Excellence in Government" awards, the state's "Lucretia Crocker Fellows" program and the universities' practice of encouraging sabbaticals and other forms of professional recognition and development. **Professional development** will be achieved through the design and dissemination of professional support structures in such areas as recruitment and retention of personnel and career ladder development. Additional **professional development activities** will include supplementary forms of professional support, such as regional round-tables or social events, to foster informal peer support, interchange and professional networking.

4. Research and Planning

This component is designed to foster research, planning and dissemination of solutions and strategies to deal with issues confronting the human services provider system. **Research and planning** will be conducted in collaboration with academic institutions for the purpose of exploring topics and trends of interest to provider organizations, anticipating

emerging problems, and identifying promising policies and solutions. It will involve the design and demonstration of innovative projects to improve professional practice. **Dissemination** will include conferences, forums, workshops, newsletters and publications as the means of maintaining a flow of information to keep providers current about new developments and matters of concern.

ORGANIZATION AND FUNDING

The Institute for Community-Based Services will be organized as a free-standing, tax exempt corporation with a Board composed of representatives of provider organizations (elected by the membership), academic institutions, foundations, state government, the private sector, civic-minded individuals, clients and their advocates. General membership in the Institute will be open to all provider organizations. The staff will consist of the chief executive officer, key professionals, volunteers and consultants. Membership Committees will serve as vehicles for member participation in policy making, decision making and program review.

Funding for the Institute will initially come from a limited state "seed" allocation to be matched by contributions from the private sector and philanthropic foundations. Over time, a fee structure will be established to provide an ongoing source of revenue. Dues, fees for accreditation and certification, as well as training and technical assistance, are potential revenue sources, all fully reimbursable under state contracting policies. Funding for research and development will be obtained through government and foundation grants and contracts. OPS has already begun to develop an initial base of funding support and is seeking additional "founding funders".

BENEFITS

The benefits to be realized from the Institute are numerous: improved professionalism in the management of human services, improved program performance and improved public support for community-based delivery systems. The ability of the Institute to produce such results derives from its unique approach: discovering what good agencies and managers actually do and applying this knowledge through certification, training and technical assistance, professional development and research activities that inspire and transform performance in a setting that human service professionals support and trust.

The Institute will have widespread impact. The state will have a unique mechanism for certification and training, leading to better management and delivery of human services.

Provider agencies and administrators will have a new resource for the development and recognition of good management, producing higher standards of professional practice. Legislators, civic leaders and the general public will have a source of reliable information resulting in a climate of understanding and support for both provider and state agencies.

CONCLUSION

Through its Centers of Excellence, Massachusetts has already forged an alliance of business, universities, and state government to ensure that the next wave of new technology benefits the Bay State economy. The Institute for Community-Based Services is like a new center of excellence, forging an alliance of providers, universities, and state government to ensure the quality of services delivered to the Commonwealth's most abundant indigenous resource -- people.

Tom Peters and Nancy Austin, in A Passion for Excellence, wrote: "A passion for excellence means thinking big and starting small; excellence happens when high purpose and intense pragmatism meet." The Institute for Community-Based Services is at the forefront of such an effort -- setting standards and offering support, serving as catalyst and providing control, inspired by high purpose and guided by intense pragmatism.

OVERVIEW

Section I, entitled the Purchase-of-Service Partnership describes the forces which impair the capacity of the partnership between public funders and private providers to delivery community-based client services.

Section II, The Need for a Professional Institute, argues that the POS partnership may be revitalized by a concerted effort among providers, funders, clients and advocates to 'professionalize' the delivery of community-based services. The Institute is designed to serve as the institutional locus of this effort.

Section III, Building the Profession, defines a long-term agenda for the proposed Institute, discussing in detail its objectives and operations. These include the establishment of a program of continuing professional education, the development of high standards of program quality and performance, peer review of adherence to these standards, professional development activities aimed at promoting careers in human service and long-range planning for the future of community-based services.

Section IV describes an organizational structure which invites and supports the active involvement of providers in carrying out the Institute's agenda; and Section V describes

a financial structure which assures the Institute's eventual financial independence from public 'start up' funding through a combination of membership dues, service fees and research grants.

Section VI proposes a step-by-step plan for founding the Institute and recommends that the Institute accept, as its initial priorities, the goals of providing its members with a thorough-going command of financial management, assuming responsibility for the fiscal prequalification of all POS vendors and the development of fresh approaches to staff recruitment and retention.

In the concluding section, this proposal makes a plea for the active participation of all stake holders in the community-based service system. The Institute embodies a commitment to programmatic and managerial excellence, high professional standards and the long-term success of the community-based service system. Providers must join with the Commonwealth, private funders and advocates to make this promise a reality.

I. THE PURCHASE OF SERVICE PARTNERSHIP

At the very heart of the purchase-of-service (POS) system is the relationship between public purchasers and private providers. From the very beginning, the precise nature of the relationship has been ambiguous. Analogies have been drawn both to autonomous businesses dealing at arms-length and to a parent company and its wholly-owned subsidiary.

Providers insist upon their status as independent businesses yet portray themselves as extensions of the State when, as in the case of salary parity, it serves their interests to do so. Purchasers dictate providers' operating budgets, item-by-item, yet hold providers accountable for their independent management of programs.

Both views portray purchase-of-service as a 'zero sum game' in which there must be winners and losers, in which a stronger provider necessarily means a weaker purchaser, or in which greater provider independence means a diminution of State control.

Clearly, providers are not mere extensions of the State serving exclusively public purposes. Providers are autonomous businesses subject to the same economic, legal, managerial and financial realities as commercial enterprises. They exist, not for the Commonwealth's sake, but to fulfill

their own private missions. However, it would be equally misleading to suggest that the dealings between purchasers and providers resemble the typical arms-length business transaction.

The parties' shared service objectives, the long-term nature of the relationship, providers' near total dependence on public funding and the Commonwealth's ultimate accountability for its use of tax revenues and the care received by its clients argue forcefully for a very different conception of the relationship.

In reality, purchasers and providers stand or fall together. Both must be strong if the system is to be strong. Community-based service delivery is a joint venture, a partnership between public funders and private providers.

Sound and enduring partnerships are founded on shared values and objectives, mutual understanding, respect and trust, and an equitable division of responsibility and authority. Of course, even in ideal partnerships there are differences among partners; but these are not permitted to dominate the relationship. Rather, successful partnerships rely upon a mutually agreed framework for handling disagreements which reconciles divergent interests in a context which emphasizes common values and shared objectives.

Regrettably, purchase-of-service often falls short of this ideal. Cooperation and common service objectives mask a fragile, ill-defined and, at times, adversarial relationship.

In order to understand the nature of the public/private partnership, we first must understand how the very forces which brought the Commonwealth and private providers together - the shift from direct delivery to POS and the rapid growth in POS - also subtly shape the terms of their collaboration.

In 1971, the Commonwealth spent approximately $25 million for the purchase of social services from private providers. In 1988, Massachusetts will spend approximately $850 million. These statistics reveal a great deal about the nature of provider/purchaser relations.

The figures disclose a dramatic shift away from voluntary contributions and private support towards governmental reimbursement as the primary and, in many cases, sole source of providers' operating revenues. Private providers have, in a sense, severed the financial ties which formerly bound them to their communities and which ensured their responsiveness to community needs. Instead, they have staked their mission and continued existence on State appropriation. Increased governmental dependency has meant an increased governmental voice in shaping providers' missions and in directing their day-today programs. Providers have welcomed the influx of

public funds but remain wary of the fiscal and programmatic 'strings attached', particularly when the public funder's perception of community needs and appropriate programmatic interventions differs from their own.

The staggering growth in purchase-of-service has taxed providers' management resources to the limit. Initially, provider administrators were drawn principally from the ranks of former advocates, case workers and other 'program' people with little experience in business management. As the provider industry grew in response to burgeoning demand, the need for sound business management increased exponentially. The founders and directors of once small, grassroots community agencies soon found themselves at the helm of large businesses, far removed from programmatic affairs at which they excelled and mired in the details of general and financial management for which they have little preparation or training. This problem is exacerbated by funding decisions which often favored 'richer' programs at the expense of administrative support. The need for sound and efficient management to balance sustained demand for services against increasingly limited public resources has become all the more acute.

Thus, providers and purchasers are trapped together in a vicious cycle. Although community-based service delivery has become a billion dollar industry, the perception of the

provider community as a fragmented collection of charities, 'do-gooders' and volunteers endures. This perception, in-turn, reinforces the Commonwealth's reticence to relinquish day-to-day control. The persistence of cost reimbursement and line-item accountability illustrates the point. By approving providers' budgets, item-by-item, the Commonwealth, in effect, directs the operations of its providers. By involving itself so extensively in providers' day-to-day operations, it has, inadvertently, deprived private managers of the tools to manage effectively. Thus, purchasers' fears are confirmed and the cycle repeats.

Rapid growth also has led to a 'bureaucratization' of POS. Whereas, in its formative years, the purchaser/provider relationship involved a close, unstructured collaboration, the sheer volume of POS transactions soon superimposed a more formal, tightly regimented framework on the parties' dealings. Contract negotiation became the parties' only formal opportunity for dialogue; and this occasion tends to focus upon those few issues, such as price, which divide - rather than unite - the parties. Moreover, elaborate contracting procedures, short funding cycles and tight recontracting timetables encourage the parties to keep problems from one another in order to avoid red tape and delay. Limited opportunities for constructive collaboration, of course, weaken the POS partnership.

Ironically, growth in the size and numbers of providers has tended to isolate individual providers. The provider community has simply outgrown the informal channels of communication which once kept it intact. The proliferation and diversity of provider programs makes it increasingly difficult for individual program managers to keep pace with the latest developments in treatment or programming, to share in and profit from their colleagues' experience, to coordinate services, or to achieve consensus on matters affecting the entire community.

The signs of this 'balkanization' are seen in the community's loss of a collective voice and vision. Twenty years ago, speaking in unison of the need for a network of community-based services, providers and advocates furnished the impetus for deinstitutionalization. It would be hard to imagine providers, today, charting a concerted course for the future of community-based service. On the contrary, each provider has become a 'tub on its own bottom'. Individual providers, acting independently and in isolation, are in a poor position to plan for the future, to represent their common interests in negotiations with the State or, conversely, to respond to State initiatives which require collective action.

In sum, the provider community is at risk of becoming, through the force of events largely beyond its control, a weak contracting partner and a poor spokesperson for the service it represents.

II. THE NEED FOR A PROFESSIONAL INSTITUTE

Twenty years ago, the Commonwealth turned to private providers for help in meeting the burgeoning demand for community-based services. At that time, POS was a new, untested method of service delivery, representing only a modest share of total human service expenditure. POS was widely viewed as a provisional measure needed to achieve a rapid response to the immediate demand for community-based programs. Few anticipated the extent to which the Commonwealth would depend, ultimately, upon private providers. In consequence, the task of building an enduring, mutually supportive relationship with a strong, stable provider network was largely neglected.

In the intervening twenty years, purchase-of-service has proved its worth. What was once an experiment, has now become the preeminent vehicle for delivering client services. It is clear, now, that the Commonwealth is committed to POS for the 'long haul'. Its interests and, more importantly, the interests of its clients are best served by a strong, sound public/private partnership.

How, then, do we strengthen and invigorate the public/private partnership and, in particular, the providers' role in the partnership? Inspiration comes initially from the Commonwealth's General Court. In its 1986 appropriations

act, the Legislature pledged seed monies to found an 'Institute for Community-Based Services' to "provide in-service training for direct care and administrative provider staff as well as comprehensive management consulting services...".

An independent 'Institute', as envisioned by the Legislature, could infuse the provider community with greater management prowess. This, in itself, would be a worthwhile undertaking.

But, providers' need for additional management resources is just the tip of the iceberg. In order to assume their rightful position as a full partner in POS, providers must shake off the image of well-meaning charities and promote, instead, their reputation for professional competence. They must set, maintain and monitor professional standards of program quality and practice. They must build on the prestige of professional affiliation and the satisfaction of professional association to attract and retain skilled and experienced professional staff. They must speak authoritatively and in unison on matters affecting the integrity and future of community-based services. They must, in short, become a 'profession'.

What do we mean when we speak of a community-based services 'profession'?

There are four characteristics common to all professions:

- specialized skill, experience or knowledge;
- accepted methods and standards of practice;
- self policing;
- high status/prestige.

The objective, then, is to strengthen these four attributes in the delivery of community-based services.

An Institute, modeled on the American Institute of C.P.A.'s, the American Medical Association, or the American Bar Association, could be a potent force for professionalizing the provider community. The Institute could - and should - be more than an instrument of professional training; it should be a forum for a constructive dialogue among the POS partners, a catalyst for reuniting and professionalizing private service delivery and the provider profession's single, authoritative voice on matters of community-based service policy and practice.

At first, this may sound grandiose. But recall that such estimable institutions as the AMA and ABA evolved from humble beginnings as confederations of local medical societies and bar associations. Massachusetts has been a pioneer in developing community-based services. Now, it can also be a pioneer in establishing an institute to professionalize those services.

The Institute is conceived as an independent voice for the community-based service delivery system. It belongs neither to funders nor to providers but to the entire spectrum of individuals and interest groups which hold a stake in the vitality of community-based services. The Institute will serve as an inclusive, pluralistic forum for individual practitioners, academics, consumers, client advocates, public and private funders and diverse provider agencies to engage in an open and constructive dialogue, to build an enduring consensus on matters of common concern, to work together toward a more professional community-based service delivery system.

The provider community, nonetheless, will enjoy several direct and immediate benefits from the Institute. Consider, by way of illustration, how much easier it would be to recruit and retain capable staff if employment conferred professional status and improved prospects for career advancement. Consider, also, how much easier it would be to maintain and enhance program quality if the Institute adopted clear and inviolable standards of program practice and performance. These and other benefits will flow to providers - not because the Institute would exist to serve their interests - but because a stronger, more vital provider community is in the common interest of the entire system.

Similarly, an Institute dedicated to managerial and programmatic excellence, high professional standards and the long-term success of community-based services should complement and support the Commonwealth's own efforts in these areas.

The Institute represents the common interest of all constituents in the integrity of the community-based service system. As such, the Institute must guard against too close an identification with the self-interest of any one of its several constituencies lest it compromise its authority and credibility as a voice for the entire system.

Thus, the Institute should in no way preempt or diminish the role of existing trade associations or provider advocates. The role of these organizations is to represent the interests of their members, particularly when these differ from the self-interest of other participants, as in the case of advocacy for rate reform, contract negotiation or marketing assistance. The focus of the Institute will be on matters that unite - rather than divide - the parties. Hence, it is critically important that the different roles of the Institute and provider associations be carefully distinguished and scrupulously respected.

Similarly, the Institute should in no way preempt or diminish the Commonwealth's role in the public/private partnership.

As the community-based service system's primary funding source and the fiduciary for many of its clients, the Commonwealth has a major interest in the success of community-based service delivery. Hence, it should be among the Institute's founding members and major financial supporters. The State's purpose would not be to control the Institute, but to actively participate with others in achieving the Institute's objectives.

Note, also, that the Commonwealth never relinquishes its role - played by the Securities Exchange Commission in relation to the American Institute of C.P.A.'s or the Federal Department of Health and Human Services in relation to the A.M.A. - as an ever present reminder that if the profession fails to police itself, the state must assume that responsibility.

Of course, the Institute can not simply claim authority, it must earn it. Ultimately, the Institute's authority will depend, not on what it claims to be, but on what it does. Specifically, then, the Institute would work to professionalize the delivery of community based services by:

Skill Building

- conducting continuing professional education programs for members;
- providing technical assistance and support to members;

Standards Setting

- developing standards for professional conduct;
- conducting, sponsoring and coordinating research in treatment and evaluation methods;
- working with the Commonwealth to review, refine, integrate and fill the gaps in existing standards of appropriate programming and practice;
- working with the Commonwealth to develop performance objectives, criteria and standards;

Peer Review

- conducting peer review of program conformity to standards of professional practice and performance;
- certifying, to consumers and funders, members' compliance with professional standards;

Professional Development

- promoting the professional identity and reputation of the community-based service system;
- providing a forum for constructive dialogue among the community-based service system's numerous stake-holders;
- working with the Commonwealth to conduct long-range policy development and planning for the community-based service delivery system;
- advocating system's reform and responses consistent with its forecasts, plans and policies.

Each of these functions aims at correcting one or more of the problems discussed in the preceding section of this proposal. Some of these activities have been attempted by existing

organizations. However, such scattered activities and authorities are no substitute for a professional institute. It is the coordination and integration - the fusion - of these functions, themselves, which generates the 'critical mass' needed to create a thoroughly professional community-based service delivery system.

III. BUILDING THE PROFESSION

The Institute's mission is to develop the four elements of professionalism in the delivery of community-based services. Each of the four elements - expertise, standards, peer review and professional status - are discussed, in detail below. Note that the four are intimately intertwined. Peer review, for example, depends upon the existence of accepted standards. Professional status is built upon professional education and experience. Also, certain initiatives to be undertaken by the Institute will support multiple objectives. For example, continuing professional education aims primarily at maintaining and improving professional skill; but it also serves to enhance professional status and satisfaction.

A. Skill Building

Behind the shift to purchased services lies the conviction that private providers possess specialized skills and experience which make them uniquely qualified to care for the Commonwealth's neediest citizens. It is this expertise which entitles providers to an equal partnership with the Commonwealth and to the trust of clients and consumers. As such, providers' expertise is the foundation of the human service profession. Accordingly, the Institute's first order to business must be to maintain and enhance the profession's specialized competence in delivering community-based care.

This it may do with a combination of continuing professional education and technical assistance.

1. Continuing Professional Education (CPE)

There are two components to the bond of trust which runs between funders/consumers and providers. First, funders/consumers must trust in the quality of program care and treatment. Second, funders/consumers must trust providers to manage programs effectively. The Institute's continuing professional education curriculum would also have two components: a care giver/ practitioner 'track' and a management 'track'.

The former would offer workshops and extended courses designed to enhance the clinical skills of program staff, disseminate advances in the state-of-the-art, or introduce participants to new treatment modalities and therapeutic techniques. Proficiency in one's profession is a significant source of job satisfaction and security. Hence, CPE must be regarded - not only as the Institute's major contribution to maintaining and improving the profession's expertise - but also as an important element in the Institute's campaign to enhance the attractiveness of careers in human service.

The management 'track' would offer a course of instruction in basic and advanced management principles

and techniques leading to a management certificate (the significance of management certification will be discussed in section C). The program would be designed with Executive Directors, Board Members and Senior Management staff in mind. Program staff may also be encouraged to enroll to prepare for expanded responsibilities and career advances or, simply, to broaden their understanding of the system in which they play a part. Coursework would include such topics as leadership skills, personnel management, strategic planning, budgeting, contract negotiation, finance, accounting, fundraising and grantsmanship, management information systems, office automation, organizational behavior, marketing and operations management.

To the extent feasible, the Institute should draw upon the resources of existing academic institutions and training programs, perhaps through a formal affiliation with one or a consortium of Massachusetts colleges and universities. Under this arrangement, the Institute could focus its efforts on the development of curricula and materials designed to bridge the gap between traditional course work and actual job requirements and to focus on special issues raised by accreditation and certification.

This arrangement would also enable the Institute to

bring its CPE program 'on-line' earlier and, because it need not bear the full cost of overhead or start-up, at substantially less cost than if it were to develop the program in-house. The affiliated educational institution, at the same time, would lend considerable experience and credibility to the Institute's efforts in this area.

Moreover, close affiliation with accredited institutions of higher learning would enable participants to earn academic credits towards advanced degrees - a significant help in recruiting and retaining qualified managers and staff. Indeed, the affiliated educational institution could offer a degree in human services management. There is already a movement in academia to formally recognize the growing importance of professional non-profit management. Many local institutions already offer similar degrees.

An educational affiliate could also support the Institute's activities in the areas of technical assistance, research and planning.

Finally, note that the academic programs offered by the Institute could also be made available to the Commonwealth's contract and program staff and others. This would spread the cost of the CPE program over a

larger enrollment and furnish a neutral forum for the exchange of ideas between public and private personnel.

2. Technical Assistance

To complement its CPE programs, the Institute would also develop a capacity to provide 'hands-on' assistance and technical support to its members in such areas as general and financial management, program development and evaluation, staff development and automation. This capacity may be created through a combination of a specially selected and trained 'Executive Corps' of volunteers from the business community, resources in the academic community, consultants on the Institute's payroll, referrals to outside consultants, and of course, in-house experts.

However organized, these resources will be limited. In order to maximize their impact, the Institute should focus initially on three areas. First, the Institute should sponsor a program to encourage broad business participation on provider boards and to match the skills of business volunteers to the specific needs of member organizations. Second, the Institute's technical assistance should be directed toward developing replicable solutions to generic problems. The Institute could, for example, develop prototypical accounting, management information, or client tracking software. It

could design model employee benefit plans. It could publish manuals on strategic planning and contract negotiation and it could sponsor demonstration projects. Third, technical assistance resources should be used to support provider's efforts to meet the profession's highest standards of program quality and performance. This role of technical assistance is described in section C4.

B. Standard Setting

Standards are the glue which binds individual providers together. Without generally accepted standards of conduct, practice and performance, there is no profession, no source of authority, no capacity to speak with a single voice. A body of widely and scrupulously observed professional standards enhances consumer/funder confidence, raises the general level of service quality, and provides unequivocal guidance to providers beset by dizzying advances in the state-of-the-art and constant exposure to malpractice liability.

Accordingly, the establishment of appropriate professional standards should be among the Institute's highest priorities. The focus of this effort should be on programs and not individual practitioners. Existing Boards of Registration and Discipline would remain responsible for the licensure and

certification of individual practitioners' competency. Accordingly, there are three types of standards with which the Institute should concern itself: standards of professional conduct, practice and performance, and management.

1. Standards of Professional Conduct

The trust of funders, clients and the community is the provider profession's most valuable asset. This trust imposes upon providers certain fiduciary duties. In order to ensure that these duties are fulfilled, the Institute should adopt a 'Code of Professional Ethics' to guide and measure the conduct of its members in discharging their fiduciary responsibilities. The Code - by addressing such matters as client confidentiality, accountability for client funds, human rights, experimentation on human subjects, advertising claims, fundraising practices, and conflict-of-interest - would define providers' and the profession's duties to clients, colleagues, government and the public.

2. Standards of Professional Practice and Performance

The current emphasis on financial accountability creates the misimpression that the community-based service system is more concerned with the cost of services than with their quality. The Institute should mount a major campaign to correct this imbalance. Specifically, the

Institute should develop four types of quality assurance standards for each community-based program within its purview. The four types are:

- Standards to assure that services are provided in a manner consistent with accepted beliefs about what constitutes good practice (input and process standards),

- Standards to assure that a given commitment of resources produces an optimum quantity of service (output, efficiency or productivity standards),

- Standards to ensure that services have their intended effect (outcome or effectiveness standards), and

- Standards to ensure that services are targeted to the clients most in need and are available to the clients for whom they are intended (accessibility standards).

A fifth set of quality assurance standards, standards to assure that programs have sufficient resources to maintain acceptable levels of environmental safety and sanitation, because they are intimately intertwined with the Commonwealth's responsibility to protect its clients from harm, would remain the province of public licensure authorities.

There are, of course, a forbidding number of distinct program categories, nearly 200 at last count. Establishing quality assurance standards for so many programs is, indeed, an ambitious - yet realistically achievable - undertaking. Note, in this regard, that several program types are quite similar in terms of their client objectives, therapeutic milieu, mix of services, staffing and organization. Moreover, many of the requisite standards will be generic, broadly applicable to a wide range of program types. Most importantly, there exists a host of licensure, certification and private accreditation standards* already in use in Massachusetts and other states to serve as models for the project. Collectively, existing accreditation bodies cover virtually the entire panoply of human services. Indeed, in many program areas, there is considerable overlap and competition. Of course, the accreditation standards which these agencies administer or the manner in which they are administered may not coincide with the Institute's independent judgement of appropriate standards and assessment procedures.

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* Joint Commission on Accreditation of Hospitals; Commission on Accreditation of Rehabilitation Facilities, the Council on Accreditation of Services for Families and Children and the Accreditation Council for Developmental Disabilities, for example.

These facts suggest a promising and expeditious alternative to developing standards in-house. The Institute could review existing accreditation standards. If they are found to be satisfactory, the Institute could forgo the development of independent standards and, instead, make its accreditation contingent upon accreditation by the existing authority. Moreover, the Institute could use its considerable influence to persuade existing accreditation bodies to modify their standards for Massachusetts programs and fill gaps in existing coverage. At least one such authority has expressed a willingness to accommodate the Institute's needs in this way. This approach would husband the Institute's limited resources, accelerate the time required to develop standards and save money for those providers which must obtain accreditation from existing authorities for other purposes.

The development of practical 'outcome' or 'performance' measures will pose the biggest challenge. Many of the conditions which human services seek to alleviate are inherently difficult to measure. In consequence, articulating clear, quantifiable performance criteria was attempted only rarely in the past. More recently, public policy makers have awakened to the fact that if they cannot say in what particulars they expect clients to benefit from participation in a program, then they

cannot distinguish successful programs from mediocre ones. In an era of limited resources and intensified public accountability, this conclusion is, simply, unacceptable. Those who must make the difficult resource allocation decisions will demand to know whether funds devoted to community-based services are making a difference, are producing the desired client outcomes. The question, then, is not whether measurable performance criteria will be developed but by whom. If the Institute, representing all the system's interests and constituents, fails to seize this opportunity to collaborate with the Commonwealth, performance standards will inevitably be imposed by the Commonwealth, unilaterally.

The Institute can do it. The task of articulating clear, measurable and achievable outcome standards will yield to a combination of literature review, survey of existing standards, expert consultant services, original evaluation research and, most importantly, consensus-building among program professionals.

In closing this section, it should be noted that the goal of standards is not always standardization. The purpose of standards should not be to choke off innovation but to assure that successful new methods gain wide acceptance. The Institute should not seek to

make minimally acceptable performance the norm but to give its members an ambitious goal to which they may aspire. From this, two conclusions follow: First, unless there exists strong professional consensus in favor of one mode of treatment over another (medical model counseling versus peer counseling, for example) the Institute should encourage a wide range of approaches. Second, the Institute should express their standards as 'minimum' or 'threshold' standards which all providers are required to satisfy and 'aspirational' standards or standards of excellence toward which all providers should be encouraged to strive.

3. Standards of Professional Management

A superior program from the clinical viewpoint may, nevertheless, falter as a result of poor management. It is, therefore, essential that the Institute promulgate standards of appropriate management as well as standards of professional conduct and quality.

One promising approach would actually involve two sets of standards. The first set of standards would relate to the provider organization's financial status and the results of its operations. The Institute, for example, could determine minimum levels of fund balance, working capital, debt/equity ratios, and other measures of fiscal health. These standards could be monitored

directly using the provider's audited financial statements.

The second set of standards would establish required management systems and procedures. For example, the Institute could prescribe appropriate accounting system features - such as independent audits, program-level accounts, bonding of personnel who handle cash in prescribed circumstances - appropriate board and administrative structures, appropriate professional liability, general liability and director's liability insurance coverages, appropriate record keeping, personnel management and management information systems, and so forth.

In addition, the Institute would prescribe manager certification as described in the following section.

C. Peer Review

The term 'peer review' expresses the essential conviction that the profession must assume responsibility for maintaining its own standards. The purpose of peer review is to make palpable the profession's commitment to the quality of care embodied in its standards; in other words, to improve services to clients, to promote excellence. In most cases, this calls for a solution oriented, supportive - not punitive

- approach. The main objective should be to help providers to correct problems.

Standards of the sort discussed in the preceding section, though sound in theory, may be ignored in practice. If the Institute is to raise the level of program quality and, with it, public confidence, it must be certain its standards are observed. It is incumbent upon the Institute, therefore, to implement a system for assuring adherence to its minimum standards and steady progress towards its aspirational standards. Ultimately, the peer review mechanism is a matter for the Institute, itself, to design. Presented below are the broad contours of one approach which may fit the bill.

As a precondition to membership in good standing, providers would agree to abide by the Institute's standards of professional conduct, to require all management and direct care staff to attend prescribed hours of continuing professional education (CPE), and to periodically undergo peer review in accordance with established practice, performance and management standards. Providers which comply with these conditions would be granted the Institute's accreditation. More precisely, the Institute's accreditation program would have five major components:

1. Code of Ethics

   Providers and individual practitioners would agree to

adhere to the Institute's Code of Professional Ethics. Any party aggrieved by a member's failure to abide by the Code could bring its grievance to the Institute for review and appropriate action, as described in paragraph 5.

2. Manager Certification

The Institute would certify provider management capacity in three steps. First, it would require the provider agency's chief executive officer to obtain a certificate from the Institute's CPE program indicating satisfactorily completion of a prescribed program of instruction in basic management principles and methods. This is similar to an approach taken in licensing nursing homes which requires that each nursing home be headed by a certified nursing home administrator.

The Institute, of course, could recognize equivalent experience or academic degrees such as an M.B.A. It would also recognize a grace period or 'grandfathering' procedure for current executive directors.

Second, the Institute would, periodically review providers' management systems and audited financial statements for conformity to established management standards. (Note that this review may, ultimately, be conducted by the provider's independent auditor in conjunction with the uniform financial reporting and

auditing system described in a separate proposal by the Office of Purchased Services.) This process would be similar to the prequalification reviews and preaudit surveys currently conducted by public purchasers and the Executive Office of Human Services' Office of Auditing and Accounts.

Finally, and most importantly, the Institute will establish performance standards for managers. The standards will be empirically derived from an examination of the practices of successful managers and will comprise the competencies required for the job including knowledge, skills, motivation, and personal characteristics. The assessment process will be sufficiently broad to permit a variety of information sources, such as portfolios, past performance and tests and exercises. A peer panel will examine the data and interview the administrator. Recommendations will be forwarded to the Institute's Board for determination of certification. There will be multiple levels of certification, ranging from the minimal or threshold level to a superior level. The prestige associated with higher levels of certification is expected to inspire excellence in professional managerial practice. While certification will be open to all administrators in human services organizations, it will be a requirement for each provider organization that the chief executive officer hold administrative certification.

Together, these measures would ensure that the organization is lead by a competent professional with appropriate training in general management and support from appropriate management systems.

3. Program Accreditation

Every three or five years, peer review teams composed of specifically qualified member volunteers and paid experts would review each provider's programs for conformity with the Institute's standards of professional practice and performance. The Institute must take the greatest care in 'evaluating the evaluators' to ensure that peer review is never tainted by favoritism or ideology. Assessment will follow a process similar to that currently used by several established accreditation bodies (indeed, as suggested earlier, the Institute may engage these organizations to conduct its accreditation) in which the provider conducts a self-study to assess its problems and progress in relation to established standards and prepares a plan for making necessary improvements. The visiting team then reviews the self-study report, conducts an independent on-site review and makes its recommendations to the Institute. There will be multiple levels of accreditation, as in the case of manager certification, ranging from threshold level to superior level. The prestige of higher achievement

should provide a forceful incentive for excellence.

4. Plan of Correction

As mentioned earlier, the main thrust of peer review is supportive not punitive. The objective is program enhancement not discipline. Nevertheless, the Institute must be prepared to deal convincingly with those rare instances in which a firmer hand is required.

If, for any reason, a provider is found to be out of compliance with minimum or threshold professional standards, it could prepare a 'plan of correction'. The Institute's technical assistance network would be available to aid the provider in developing appropriate plans. If the provider's submission set forth a realistically achievable plan for bringing the agency into compliance and the deficiency itself posed no jeopardy to clients, the Institute could grant a provisional accreditation. The compliance office, then, would be responsible for ongoing technical support and monitoring progress in implementing the plan.

5. Review Board

The Institute would establish a subcommittee of the Board of Governors to be known as the 'Review Board'. The Board would hear cases involving infractions of the Code of Professional Ethics, appeals of adverse peer

reviews or failure to satisfactorily implement plans of correction. When all efforts to assist a provider in voluntary compliance have failed, the Board would be empowered to take appropriate disciplinary action including suspension or revocation of Institute accreditation and membership.

Disciplinary proceedings cast the Institute's relationship and responsibilities to the state in bold relief. The ultimate sanctions for consistently unacceptable performance - withdrawal of funding, transfer of clients and program closings - are so integral to the state's fiduciary duty to taxpayers and clients that such measures must remain the exclusive province of appropriate public authorities. The Institute, without compromising its standards or its independence, should cooperate. At the least, this imposes on the Institute a duty to refer cases of intractable noncompliance to the Commonwealth at the earliest signs of trouble.

As suggested in section IV, the Institute's accreditation, ultimately, should be a precondition to the award of public contracts.

D. Professional Development

In the natural flow of events, the establishment of professional standards will tend to inspire heightened public esteem for the profession. This, in turn, tends to lift professional career satisfaction. However, the human service profession's reputation and career appeal are far too important to leave to happenstance. These matters deserve the Institute's attention in their own right.

An initiative to promote the profession's prestige and career appeal should involve two major components: professional recognition and human resource development.

1. Professional Recognition

To put the matter plainly, the community-based service system suffers from a serious 'image' problem. The media are quick to report rare instances of program closings, payless paydays, insolvencies, neighborhood opposition to community program siting, and cases of alleged malpractice or abuse. These atypical events are front page news. The typical human service success story seldom attracts press or public attraction. As a result, human service is viewed, not as an effective and rewarding profession, but, at best, as a collection of feckless 'do-gooders'.

Among the Institute's most crucial function will be to put this record straight. In battling this 'image problem', the Institute will not be alone. It will find numerous allies in government and among existing advocacy groups and provider trade associations. The Institute should join with them in a public relations campaign using media presentations, press releases, publications and sponsored events to:

- raise the public awareness and reputation of the profession,
- counterbalance unflattering reports with news of the profession's successes,
- raise awareness of the availability of service and its importance to the community,
- ease community siting,
- recognize outstanding individual achievements,
- increase consumer awareness of and confidence in the Institute's 'seal of approval',
- increase public receptivity to members' fundraising appeals, and
- advocate long-term plans and policies for community-based service delivery.

2. Human Resource Develcpment

The inability to attract and retain qualified professionals has been a persistent problem for the

community-based service system. Recent contractions in the labor market have raised this chronic problem to the level of full-blown crisis. Compensation undoubtedly plays an important part in the crisis, but nonmonetary factors should not be ignored. After all, human service is helping profession. Human service workers are drawn to the profession, not by the prospect of personal enrichment, but by the opportunity to serve.

This fact need not distract the profession from its struggle for equitable pay scales. But, in that campaign, the Institute can do little which is not already being done. In contrast, the Institute could make a significant contribution to solving the other chronic, underlying problems.

Because program staff are drawn to the profession by the desire to serve, anything which enhances their capacity to provide effective help also enhances their job satisfaction. Thus, CPE and professional standards are an excellent beginning. So too is the enhanced public image of membership in the profession which an effective public relations campaign can produce. There are many other measures which the Institute might undertake. Consider the following examples:

. A goal to work toward, recognition for dedicated

service, rewards in proportion to accumulated skill and experience, the challenge of steadily increasing responsibilities - these are the things which turn a job into a career. The typical human service agency's organizational chart resembles a clothesline - a few managers and supervisors at the top and a large number of direct care personnel strung out across the bottom with no hierarchy or differentiation. There is, in other words, little opportunity for career advancement; and, hence to many provider staff, human service may seem less a career than a dead-end job. The Institute must develop career ladders - job descriptions for human service professionals which recognize progressive levels of education, experience, responsibility and rewards, and model hierarchical organizational structures for human service agencies which facilitate advancement from entry level positions to senior management.

. The opportunity for advancement within an individual agency is important. Of equal importance is the opportunity for advancement within the system; that is, career mobility across agencies. The Institute should develop a job referral system. Such a system would expose individual professionals to a wider range of opportunities and, at the same time, increase the recruiting agency's pool of qualified candidates.

. 'Burnout' is among the leading causes of staff turnover. The Institute must explore creative interventions - such as sabbaticals, respite programs, job enrichment/enhancement, or job rotation arrangements within and among agencies (it might even be possible to arrange for job rotation between private providers and the Commonwealth similar to the Federal/State Intergovernmental Personnel Program) - to address this most pressing problem. Such arrangements can rebuild staff morale in two ways at once - by providing a re-energizing 'change of pace' and by broadening professional experience.

. Burnout has become so commonplace that many employers take it for granted that their staff will not last. They forget that making an investment in their employees - modeled on apprenticeship, fellowship and award programs in other industries - can instill pride, loyalty and commitment.

. Fringe benefits are, of course, major factors in career choice and job retention. The Institute should explore innovative benefits which exploit the profession's own resources such as day care.

. Career choice is, in a sense, an investment decision. The returns must justify the initial investment. If

returns on an employee's time, in the form of salaries and wages, are relatively low, the investment is discouraged unless the cost of the investment is lowered commensurately. Accordingly, the Institute should explore strategies which reduce the initial investment in a human service career. For example, if provider's have been effectively 'priced-out' of the market for college graduates by low salaries, serious consideration should be given to relying more extensively on the pool of high school graduates for entry-level positions. Similarly, the Institute could strike an arrangement with the Commonwealth's higher education authorities, similar to the Public Health Service Program, in which student loans and tuitions are forgiven or waived in exchange for specified years of service in publically-purchased service programs.

. The Institute could sponsor 'career days' and 'job marts' on behalf of its membership.

. The Institute could expand members opportunity for professional association and informal peer support - through newsletters, executive round tables, social functions, travel arrangements, conferences, workshops and the like. The opportunity to feel a part of the larger profession, to share 'war stories', to benefit from others' experience or simply to be less alone can

make an important difference in career satisfaction.

E. Research, Planning and Policy Development

In human services, nothing stays still. The needs which the human service system aims to address are constantly evolving. An aging population means increased demand for community-based alternatives to institutionalization of the frail elderly. The trend towards single parent and dual wage-earner households means stepped-up demand for child care. The real estate boom means greater homelessness and a need for more temporary shelters and housing placement services. The impact of the growing AIDS epidemic is felt across the board - in hospice care, substance abuse treatment, mental health services.

At the same time, the state-of-the-art of care and treatment is constantly progressing. The advent of psychotropic drugs, the shift away from sheltered workshops toward supported employment in industry, the ascendance of prevention-oriented services and the deinstitutionalization movement, itself, are but a few examples of the dynamism of human service.

Plainly, the responsiveness of the community-based service network, its ability to effectively match needs with resources, depends upon the system's ability to anticipate future economic and demographic trends, and to keep pace with breakthroughs in treatment methods. It depends, in other

words, on the system's ability to plan.

Long-term planning is a concern shared by both of the purchase-of-service partners; but, short incumbencies and constraints imposed by annual appropriation, often rivet public officials' attention to immediate problems. Similarly, providers, though committed to continuity of client care, are seldom able to look beyond the next payroll or contract negotiation.

Here, then, is an opportunity for the Institute. The Institute is well suited to serve as the locus of the state's and providers' collaboration in long-range planning and policy formulation for community-based services. In order to play its role in the development of professional standards, the Institute must develop, perhaps through its affiliated academic institution, a capacity to sponsor or conduct sophisticated research in program development and evaluation, community demographics, and treatment trends and developments. This research capacity will also support long-range planning. As the one institution which embraces the entire community-based service system, the Institute is a logical site for the development of a social service data base to inform and support high level decision making. The Institute's public relations resources can be readily applied to advocate change consistent with its plans. Most importantly, the Institute will bring together all the

participants in the system, making it an ideal forum for the consensus-building which must occur before realistic plans can be drawn and implemented.

IV. ORGANIZING THE INSTITUTE

Ultimately, the Institute's organizational form, structure, governance and operations should be matters for the Institute members to decide. Accordingly, the following discussion must be understood as a set of suggestions or options. They are included, here, not to dictate the shape of the Institute's internal organization, but as an illustration of how the Institute could be organized to achieve its ambitious objectives.

The Institute for Community-Based Services would be incorporated as a tax-exempt entity under Chapter 180 of the Massachusetts General Laws and Section 501(c)(3) of the Internal Revenue Code. This particular form of organization will secure tax-exempt status for the Institute, tax deductible status for contributions toward its support, and maximum flexibility in advocacy and fundraising.

The Institute would be a membership organization; that is, ultimate control of the Institute's governance, policies and activities will rest with its members. Members would include all parties having a stake in the success of the community-based service delivery system. These include public and private funders, clients and their advocates, academicians, individual human service practitioners and, of course, provider agencies.

Different stake-holders, of course, would have a variety of motives for voluntarily joining the Institute. The simple allure of professional status or of peer association will be sufficient inducement for many prospective members. A voice in shaping the Institute's policies and initiatives will be the primary consideration for others. Free or reduced cost of the Institute's training, technical assistance and research facilities will be a persuasive reason for certain constituents to join. For others, the Institute's 'seal of approval' will be a forceful incentive. For those providers seeking to broaden their funding base by offering services to the general public, corporate sponsors or third party payors, for example, Institute accreditation may prove to be an invaluable marketing asset.

There is also much which the Commonwealth can do to encourage broad participation in the Institute. From the start, it could reimburse membership dues in POS rates as a legitimate cost of doing business and so, remove the obstacle which cost might otherwise pose to membership. Once Institute membership in good standing has become the hallmark of competent providers, the state could grant preferred status to Institute members in the award of public contracts, just as veterans enjoy favored status in civil service appointments. It could waive the application of state administered licensure or certification procedures for providers which have met the Institute's standards. It could

mandate Institute certification and accreditation as a precondition to state contracts. This would further reinforce the Institute's authority, expand public quality assurance resources without adding staff to the state payroll, and, since the Institute's standards would be independently developed, there would be less danger of compromising quality objectives to competing considerations.

The rewards of membership, of course, have their price. Initially, membership for all providers would be automatic. Membership dues, in effect, would be subsidized by the Institute's 'start-up' funding from public and private grants. Eventually, all members <u>may</u> be required to pay dues (although fees from other sources may make this unnecessary). More importantly, special conditions would be imposed upon different classes of members. Specifically, providers would agree, as a prerequisite of membership, to abide by the professional standards established by the Institute, to require key staff to attend the prescribed hours of continuing professional education programs, and to periodically undergo peer review. Of course, as suggested earlier, membership-in-good-standing could be denied, suspended or revoked if a provider consistently failed to meet minimum standards and conditions established by the Institute.

The Institute would be governed by a Board of Governors or

Directors. In order to assure that the Board is broadly representive of all the groups and interests which comprise the community-based service system and, at the same time, to ensure that the Institute does not succumb to control by any one of these factions, positions on the Board would be reserved for each membership class. For example, the Board might consist of 12 directors (the number of seats on the Board and their distribution among membership classes are suggested solely for the sake of illustration) of which two could be appointed by the Commonwealth, perhaps to represent different secretariats or departments involved in purchase-of-service, one could be selected by private foundations, two could be representatives of clients and their advocates invited by the Board, one might be invited from the academic community and six would be elected by member provider organizations. In this way, no particular membership class controls the Board. The Board would, thus, govern through consensus and coalition.

The Board would be chaired by a President elected to the office by fellow Directors or the general membership.

The Board's primary responsibilities would be broad policy formulation and oversight of operations. In addition, Board members would be expected to play a significant role in fundraising and public relations.

A large Board of Governors, while it assures adequate representation of diverse points-of-view, may prove unwieldy. In order to facilitate the prompt disposition of routine matters which come before it, to provide for an efficient division of responsibility among Directors and to assure continuity of leadership between formal Board meetings, the Board may wish to establish several more manageable standing committees such as an Executive Committee, a Finance Committee, a Fundraising Committee and an Oversight Committee.

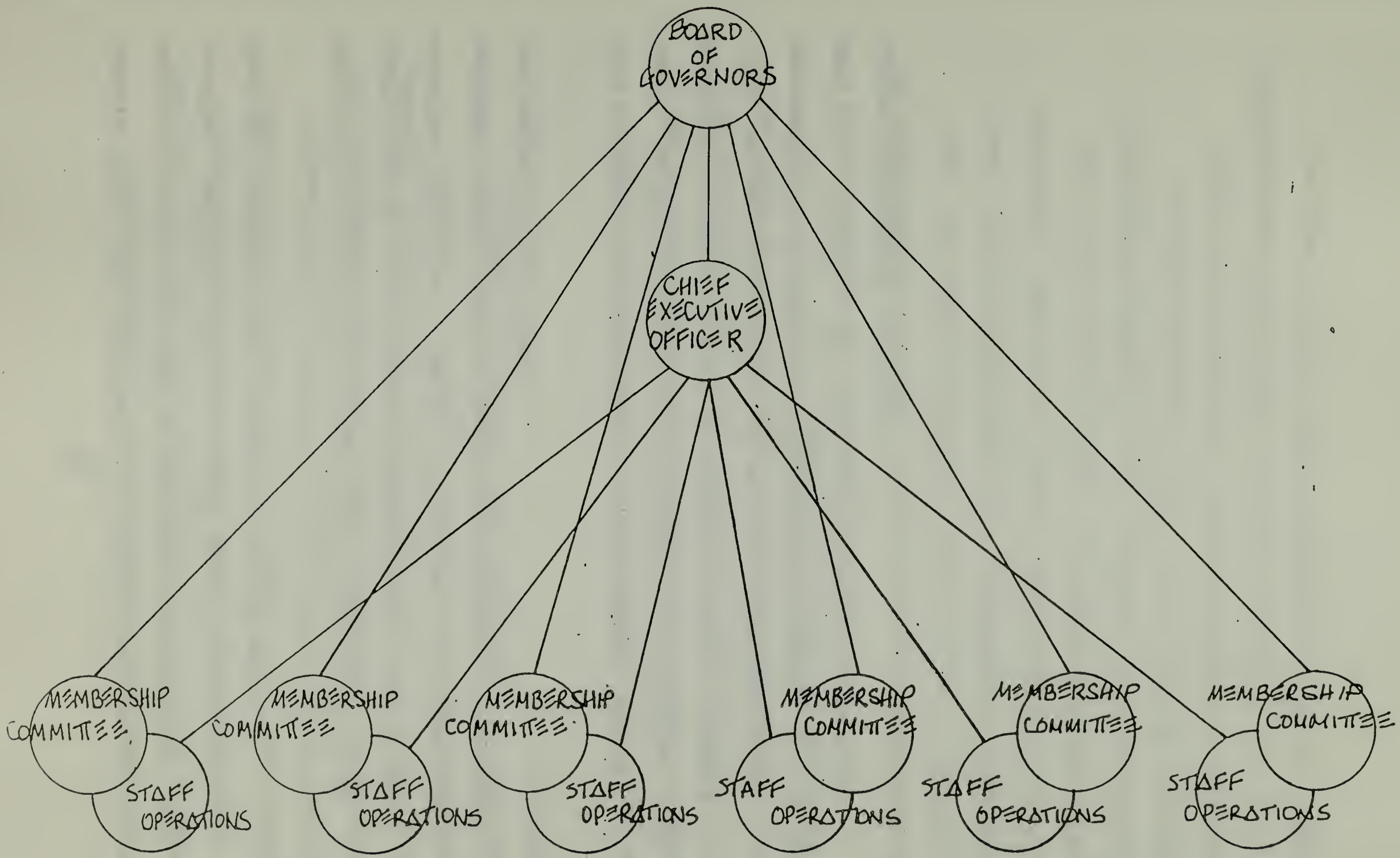
The Institute's operations would be directed by a Chief Executive Officer (CEO) appointed by and reporting to the Board. The CEO could also serve as a voting member of the Board. Other key officials and management staff could be hired by the CEO with Board consent.

The Institute's day-to-day activities would be carried-on by a combination of paid staff, member/volunteers and, when appropriate, consultants. One promising approach - used extensively by the AICPA, the ABA and the AMA - calls for several standing committees responsible for each of the Institute's major functions - CPE, Standards Development, Long Range Planning, etc. These committees would be comprised of member volunteers. Institute staff would provide administrative, analytic, research and report-writing support. Staff would report to the committee chair on

matters within the committee's jurisdiction and to the CEO on matters affecting the work of more than one committee. The standing committees, in turn, would report to the Board's Oversight Committee and, through it, to the Board.

Under this approach, the purpose of the Institute's paid staff would be to coordinate and support the work of the standing committees. The CEO, of course, would also have a separate support staff to handle the Institute's financial and administrative affairs.

This structure is illustrated, in broad concept and in detail, in the two accompanying organizational charts. Its principal virtues are that it creates a formal structure which invites and supports the active involvement of the membership in carrying out the Institute's agenda and, at the same time, leverages the Institute's limited staff with expert professional volunteers.


BOARD OF GOVERNORS
CHIEF EXECUTIVE OFFICER
MEMBERSHIP COMMITTEE
STAFF OPERATIONS
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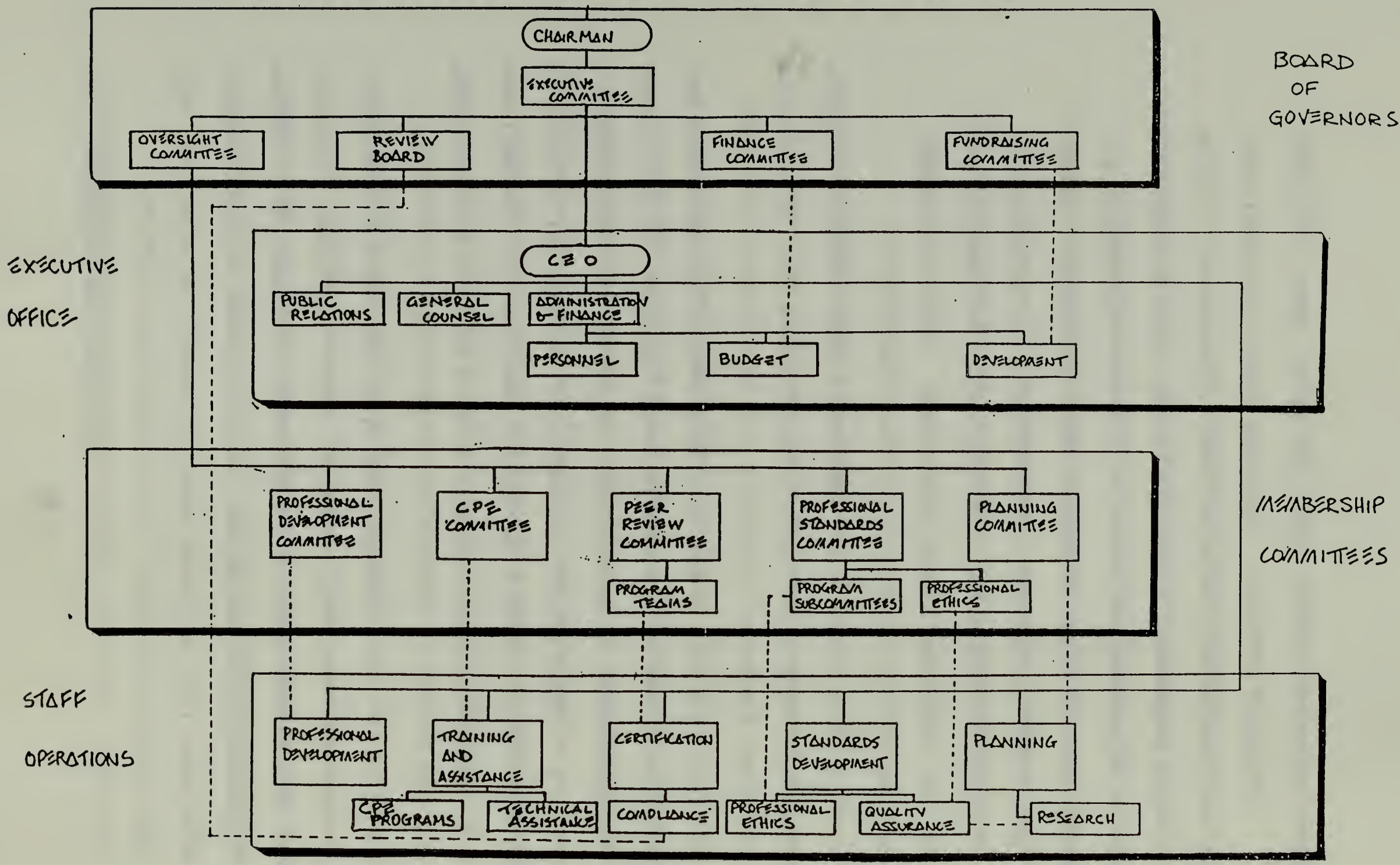
INSTITUTE FOR COMMUNITY-BASED SERVICES



V. FINANCING THE INSTITUTE

The Institute for Community-Based Services will need more to succeed than an organizational design which harnesses the energy of a committed membership. It will need money. Its financial resources, like its human resources, must be commensurate with its ambitious agenda.

The Institute will be an engine which runs on public confidence. If, for want of adequate funding, it is obliged to curtail its agenda, protract or postpone the implementation of important initiatives or compromise the quality of its efforts, it will soon erode the confidence of the community it is designed to serve.

Fortunately, the Institute may draw upon a host of potential funding sources. These include:

- Membership Dues. Membership dues presumably, may be established on a sliding scale according to the individual's or organization's ability to pay. For example, different rate schedules could be established for different membership classes corresponding to the Institute's major constituencies, enumerated above. Within a membership class, dues may be tied to the organization's gross revenues. Smaller provider agencies, thus, would pay less; larger agencies would

pay more. As noted earlier, dues should be treated for rate setting purposes, as a reimbursable expense.

Legislative Appropriation. Initially, the Commonwealth may be called upon to provide 'seed money' to establish the Institute. Public funding, however, should not dominate the Institute. State funds should be made available only to match funds raised from foundations and other private sources. In the long-term, the Commonwealth's financial support should not take the form of a grant at all. Rather, it should be understood as payment for services received. Such services could include membership for state program staff, access to training programs for state employees, accreditation of purchased programs, access to the Institute's research reports and data bases, special projects and research in areas of particular interest to the Commonwealth such as program evaluation and performance measurement.

Foundation Endowments, Operating Grants and United Way Allocations. Like the Commonwealth, private funders have a significant financial and programmatic stake in the integrity and vitality of the community-based service system. The Institute will enhance and protect their investment in that system.

- Fundraising. The Institute can expect to derive support from grassroots fundraising appeals to clients, their families, friends and advocates who are the ultimate beneficiaries of a stronger community-based service system.

- Research and Special Project Grants. Several of the Institute's initiatives - strategic planning for community-based services, program performance evaluation, the development of a human services data base - will entail state-of-the-art research or replicable projects of national importance. Support for these undertakings should be sought from public grant-makers and private foundations both in and outside Massachusetts.

- Fees for Technical Assistance. The Institute could charge a modest fee, sufficient to cover its costs, for technical assistance to members and market rates for assistance to nonmembers.

- Fees for Accreditation. The Joint Commission on Accreditation of Hospitals (JCAH) and the Commission on Accreditation of Rehabilitation Facilities (CARF), for example, charge a fee for their services.

- Tuitions. The Institute could charge a modest

enrollment fee for participation in its continuing professional education programs.

Ultimately, the appropriate amount and mix of funding, like the Institute's initial organization, is a matter for the Institute itself to decide. Ideally, the Institute will seek over time to become self-supporting. Financial independence will help to ensure the Institute's credibility and authority as a nonpartisan voice for the community-based service system.

VI. IMPLEMENTING THE INSTITUTE

The issue first at hand is how to establish the Institute as a going concern.

The first step will be to prepare a detailed implementation plan. To this end, the Office of Purchased Services has already requested an appropriation of 'seed money' in the amount of $75,000 for fiscal year 1989. The plan will consist of the following components:

. Corporate Charter. Recommendations concerning the appropriate form of organization, Articles of Incorporation, By Laws and IRS filings.

. Operating Budget. A preliminary budget for the Institute's first full year of operations and forecasts of the succeeding four years' budgets. This undertaking will entail preliminary estimates of organizational structure and staffing.

. Fundraising Plan. A plan for soliciting funds from appropriate public and private sources to finance the Institute's first years of operation as forecast in the operating budget.

. Curriculum. An appropriate curriculum for the

Institute's continuing professional education program. This portion of the plan should also address the extent to which the Institute should be affiliated with existing institutions of higher education and the extent to which training for state program and contract administration staff may be combined in a single program.

Standards Development. A plan to develop program and performance standards. This section will also address the extent to which the Institute can incorporate existing licensure, prequalification or independent certification standards and the extent to which it can rely on existing accreditation bodies.

It should be plain that these undertakings are closely interrelated. The final shape of each plan component depends, to a great extent, upon the contents of all the other plan components. Accordingly, the role of OPS will be to supervise, coordinate and integrate the development of individual plan components.

The completed plan will serve not only as a blueprint for the Institute but also as the justification for appropriation and grant requests to the General Court and appropriate private foundations.

It may be several years before the Institute can be entirely self-supporting. Therefore, prospective funders should be encouraged to commit funds over several years in the form of endowments or three-to-five year operating grants. The amount of operating support, presumably, will decline from year to year, as the Institute is able to generate increasing proportions of its budget from a combination of dues, fees and tuitions. Each year's operating grant could be contingent upon satisfactory achievement of the preceding year's implementation objectives. Using performance benchmarks in this way will help keep implementation on track and on schedule.

Funders, public and private, will be invited to serve as the Institute's incorporators and, upon incorporation, as its provisional Board of Directors. In that capacity, their sole responsibility, with the advice of provider representatives and staff support from OPS, will be to conduct elections for regular Board members. By mailings to all provider agencies, the Institute will solicit volunteers for an ad hoc Nominating Committee. The Nominating Committee, again by mailings to the entire provider community, will solicit nominations for Board membership. From the names submitted, the Nominating Committee will prepare a slate of candidates. This slate or ballot, in turn, will be submitted to the provider community for election. At the same time, the Institute's charter and by-laws may be submitted to the

general membership for ratification or revision. While this process is somewhat cumbersome, it ensures a genuinely democratic and representative governance.

The newly elected Board will elect a President and other officers from among themselves and assume responsibility for the Institute from the original incorporators.

The Board's first duty will be to conduct a search for the Institute's first CEO. The CEO's first responsibility, in turn, will be to formally enroll members. In the first year, membership would be automatically extended to all providers without payment of dues.

With these formalities complete, the Board, the CEO, the staff and the membership may turn, at last, to the challenge of translating the Institute's promise into reality.

Throughout this proposal, we have made specific suggestions and recommendations concerning how the Institute should carry-out its major functions. These were included to present a sharply focused vision of the Institute in its fully developed state. However, even a well conceived and amply endowed Institute can not expect to realize this ambitious agenda overnight. It will require several years of patient building to fully implement the Institute. Initially, to produce immediate benefits for the system, to

satisfy the expectations of its funders, to establish its credibility and to lay a secure foundation for its long-range ambitions, the Institute will need to concentrate its efforts on shorter-term objectives.

It is, of course, for the Institute, itself, to decide where it will first focus its attention. However, three initial projects - one in each of the major functional areas - suggest themselves:

In the area of professional education, the Institute should set for itself a goal of providing all members with a thorough going command of the theory and practice of financial management. It is providers' need for greater financial management sophistication which has attracted the most attention from funders. A sound grasp of financial management precepts is also a prerequisite for cost/benefit analysis. If the Institute's ultimate objective is a more effective service delivery system, the tools of cost/benefit analysis will prove indispensable to subsequent initiatives.

In the area of standard setting and self-policing, the Institute should assume the Commonwealth's role in administering a system of financial prequalification for all human service providers. This second undertaking relates closely to the first, would relieve the Commonwealth of an administratively awkward and politically sensitive

responsibility and would furnish early evidence of the Institute's ability to provide meaningful assistance to struggling providers.

Finally, in the area of professional development, the Institute should concentrate its resources on developing new approaches to easing the crisis in staff recruitment and retention, surely the most pressing problem currently facing the community-based delivery system.

VII. THE CHALLENGE AHEAD

This proposal was prepared by the Executive Office for Administration and Finances' (EOAF) Office of Purchased Services (OPS). OPS' statutory mandate is to "...ensure the implementation of a consistent, efficient and accountable (purchase-of-service) system...". In a sense, then, OPS represents the interests - not only of EOAF or of the Commonwealth - but of all the parties, public and private, involved in the community-based service system. The proposed Institute for Community-Based Services is plainly in the best interest of the Commonwealth. It is also in the best interest of clients. Hence, it is in the common interest of each of the system's constituencies.

However, any claim on OPS' part to speak for the entire system may be greeted with understandable suspicion by groups outside of state government. To allay this skepticism, it should suffice to observe that the Commonwealth cannot establish the Institute - at least the independent Institute contemplated in this proposal - on its own. Ultimately, the fate of the Institute rests with private providers, advocates and funders. Only their active support and involvement can make this proposal become a reality. Now is the time for providers, the Commonwealth, private providers, advocates and funders to join together to fulfill the promise of an effective, high quality, professional client service delivery system.

POST SCRIPT: THE INSTITUTE AS A CENTER FOR EXCELLENCE

In this presidential election year, much has been said and written about the 'Massachusetts Miracle'. There is, of course, nothing miraculous about the Commonwealth's economic success. It is, in part, the result of buoyant currents in the national economy; but, more importantly, it is the result of an enlightened public policy of economic development. One key element in the Commonwealth's economic development strategy has been its 'Centers of Excellence' program. This program forges a partnership between industry, academia and state government for the purpose of assisting the development of emerging sectors of the Commonwealth's economy, specifically sectors which promise to make significant contributions to the state's overall economic well being and in which Massachusetts enjoys an academic or technological 'edge'. The central thrust of the program has been to establish 'Centers' for each selected industry. The Center's role is to foster excellence in the industry by conducting basic research, accelerating technology transfer, providing firms within the industry with a neutral forum for the exchange of ideas and, promoting user/consumer awareness of the industry's resources and capabilities.

The proposed Institute for Community-Based Services is strikingly similar in concept and design.

Like the industries targeted by the Centers of Excellence program, the human service profession makes a very significant contribution to the state's economy. Public and private employment in the POS system accounts for more than 2.6 percent of the Massachusetts labor force.* Community-based service delivery is a $1.6 billion industry* with an extended economic impact of approximately $6.0 billion*. Not only does the provider industry recycle virtually all of the Commonwealth's dollars within the Massachusetts economy, it also draws federal monies, foundation dollars and service fees from other states. Moreover, the quality and availability of service in the Commonwealth's network of community-based programs, arguably the best in the nation, makes Massachusetts a more attractive place to live and work. Massachusetts also has an 'edge' in community-based services: as one of the very first states to meet the challenge of deinstitutionalization, Massachusetts earned nationwide acclaim as a laboratory of social policy and a leader in the development of community-based services.

In sum, like the Centers of Excellence, the Institute will institutionalize a public/private partnership for excellence in community-based services.

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*Source: Massachusetts Council of Human Service Providers, Confronting Effectiveness: Social Investment in Massachusetts (1988).